

Editorial Page

Washington Report

Published by the Chamber of Commerce of the United States

The Public Supports Strong Economic Medicine

"I am convinced the American people strongly support my program and do not want it watered down."

With that clear-cut statement, President Reagan forcefully ended a flurry of speculation that his administration was prepared to compromise on key elements of the economic proposals he sent to Congress.

The president is absolutely correct. The American public does support him strongly and he should not compromise.

On the same morning he made his statement, the findings of a major new poll dramatically demonstrated the extent to which the public is behind him.

Opinion Research Corp., which was commissioned by the U.S. Chamber of Commerce to take the poll, said the results indicated that "The public agrees with President Reagan that the current economic situation is very serious and strongly supports the Reagan economic program."

One of the most significant revelations in the survey is the backing the president enjoys from the public on the very proposals his critics are seeking to exploit as not representative of grassroots thinking.

A tax cut would be inflationary, the critics say, because people would spend the added income rather than save it or use it to repay debts. The poll found that an overwhelming 83 percent of the public would use the money for those purposes; while only 15 percent would spend it all. And only 31 percent of the public believes the tax cuts would add to inflation.

While critics claim the president's proposals are harsh, 47 percent of the public said he was seeking the right amount in cuts and another 13 percent said he was asking for too little. Only

30 percent said he wanted to cut too much.

Almost two-thirds of the public support the presidential recommendation for accelerated capital-cost recovery, a plan some critics have attacked as excessively costly to the Treasury.

A major reason for the strong public support of the president is apparent in another finding of the poll: 96 percent of the public believes the economic situation remains serious, with 70 percent terming it very serious.

It is obvious, therefore, that the overwhelming mandate President Reagan received last November is still very much in force. The American people remain deeply concerned about the economy and want strong corrective action. Members of Congress who are opposing the president on his economic proposals have lost sight of this very important factor.

Business people have an excellent opportunity to remind senators and representatives of the economic and political facts of life in the nation today.

Congress is in recess. Most members are in their home states and districts. Business men and women can let them know that the nation will settle for nothing less than the strong, effective, economic-recovery measures advocated by the president.

If personal contacts are not possible, business people should write, telephone or wire their members of Congress in support of the Reagan plan.

There is another finding of the poll that could be passed on to those senators and representatives at the same time. The survey found indications that members of Congress "who vote against the program could lose constituents' votes in the 1982 congressional elections."

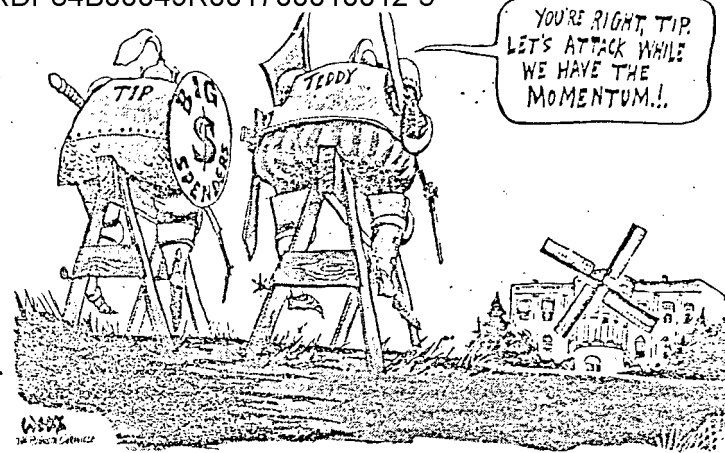
Business Alert

SMALL BUSINESS. Contracting procedures and personnel policies of the Small Business Administration will be the subject of hearings by the Senate Small Business Committee next Monday.

SEABED MINING. The National Oceanic and Atmospheric Administration will hold a hearing in Honolulu on Friday to receive public comment on proposed regulations for the issuance of licenses for deep seabed mining. Under present law, the administration may issue licenses allowing eligible individuals to look for and recover commercial quantities of manganese nodules.

CHINA TRADE. The International Trade Commission holds a hearing Wednesday on the probable economic effect on domestic industries if the People's Republic of China were designated a beneficiary developing country. The designation would allow the People's Republic to export goods to the United States at reduced or no tariffs.

TRENDS. The Bureau of Economic Analysis reports today on the gross national product for the first quarter of 1981. The Consumer Price Index for March will be released Friday by the Bureau of Labor Statistics.



VIEWPOINT

Rebuilding the American Dream

By Raymond J. Donovan
Secretary of Labor

The cost of housing and other construction has been rising, as have interest rates. That means most people can't afford the houses they want. As a result, the number of single-family homes sold in America dropped from more than 700,000 in 1979 to just over 500,000 last year. Housing starts—a very important statistic to any construction worker—fell from 1.75 million to only 1.3 million in the last year.

Our productivity has fallen behind that of our free-world competitors.

Workers Affected

But we sometimes forget that there are people behind all the numbers. In this case, we're talking about 660,000 building and construction workers out of work. We're talking about the families of those workers, who worry about paying for food, for housing and for transportation. And we're talking about the people who have dreamed of owning their own home and now find that it was only a dream. We have been fighting inflation with unemployment and unemployment with inflation—trading misery for misery—and ending up with both.

In short, we are losing the dream that is America.

Recapturing the dream must start by wiping the clouds from our eyes. We must see the present as it is before we can build the future as we want it to be.

Let's not mince words: This country has been eroding economically, and the pace of this erosion has increased yearly to the point where it can be denied no longer.

Without prompt, decisive and reasoned action, we face continued economic and social disintegration. This nation of unparalleled freedom, justice, and economic opportunity faces a future of declining material well-being and the shredding of our social fabric. We already have traveled much too far down that divisive, dangerous path.

We're often soothed by those who say our situation is not that bad and that we can continue the partisan policies and politics of the past. The United States does have great inherent strength. Its strength is in its people and in its resources and in a system which encourages the maximum utilization of both those assets.

Actions Solve Problems

The first action we must take is to agree that we all want the same thing: a strong, healthy America where workers and their families can enjoy a secure, safe and rewarding future.

Good intentions alone won't solve our problems. Specific courageous actions and

hard work are required to do the job.

It is not the government's job to try to overprotect us from ourselves. The plain truth is that government intervention is a sorry substitute for good labor-management relations. Unwarranted interference by the government prevents labor and management from using their expertise to solve problems in the best way possible. Government involvement has created more problems than it has solved. For many bureaucrats and special interests, solutions are less profitable than problems.

I remember seeing a union slogan that said, "We built America in the past; let us be free to build it for the future." That covers not only the problem but the solution.

Construction projects have been delayed or never even started because of government regulations, licensing problems, environmental-impact statements, and hearings upon hearings. Those projects would have meant jobs and paychecks for building and construction workers. They would have meant a growing, healthy economy, but an explosion of regulations smothered many of those projects.

Cooperation Needed

The Reagan administration believes that cooperation and initiative, rather than confrontation and regulation, are better tools for solving problems.

We must balance the federal budget. That means cutting back on seemingly attractive programs that are not cost-effective, and accepting the simple fact that government can't do everything—nor should it.

People who criticize this administration say our program will be targeted to the wealthy, at the expense of the poor.

They are wrong! America cannot be restored unless all join in the restoration.

Washington Report

Published by the Chamber of Commerce of the United States

DR. RICHARD L. LIESNER

President

DR. CARL GRANT

Vice President, Communications

DAVID A. ECK
Manager, Publishing Group

ROBERT T. GRAY
Editor

W. Brett Perrine, Advertising Director; Jerry V. Camporine, Advertising Manager; Thomas J. Ames, Circulation Director; Marjorie K. Sanford, Promotion and Research Director; William W. Owens, Business Manager.

Volume 2, Number 39